

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 01864 041844Z

65-60

ACTION EUR-12

INFO OCT-01 EA-06 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-01

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 L-02 AGR-05 TAR-01

SS-15 NSC-05 INT-05 PA-01 PRS-01 USIA-06 /094 W

----- 014579

R 041717Z MAR 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 8410

INFO ALL EC CAPITALS 413

AMEMBASSY WELLINGTON

LIMITED OFFICIAL USE EC BRUSSELS 1864

E.O. 11652: NA

TAGS: PFOR, EFIN, ETRD, EEC, UK, NZ, EAGR

SUBJECT: EC COUNCIL OF MINISTERS MARCH 3-4: BRITISH RENEGOTIATION

REFS: A) EC BRUSSELS 1770 B) LONDON 3266

1. SUMMARY: THE EC COUNCIL OF FOREIGN MINISTERS, MEETING IN BRUSSELS MARCH 3, GAVE ONLY BRIEF CONSIDERATION TO THE QUESTION OF BRITISH RENEGOTIATION. NO PROGRESS WAS MADE ON THE QUESTION OF BUDGET CONTRIBUTIONS AND THE ENTIRE DOSSIER WILL BE CARRIED OVER FOR DISCUSSION AT THE EUROPEAN COUNCIL (HEADS OF GOVERNMENT) IN DUBLIN MARCH 10-11. THE BRITISH ALSO RAISED THE ISSUES OF NEW ZEALAND BUTTER AND CHEESE IMPORTS INTO THE COMMUNITY AND OF NATIONAL CONTROL OF MERGERS, PRICING AND PRIVATE INVESTMENT IN STEEL PRODUCTION CAPACITY. BOTH SUBJECTS WERE BRIEFLY AND INCONCLUSIVELY DISCUSSED. END SUMMARY.

2. BUDGET CONTRIBUTIONS: THERE WAS A BRIEF TOUR DE TABLE AT THE COUNCIL MEETING ON THE SUBJECT OF BUDGET

LIMITED OFFICIAL USE

PAGE 02 EC BRU 01864 041844Z

CONTRIBUTIONS. FRENCH FOREIGN MINISTER SAUVAGNARGUES

STATED THAT THE ENTIRE MATTER WOULD HAVE TO BE DECIDED AT THE SUMMIT, AND THAT NO DECISIONS COULD BE TAKEN AT THIS COUNCIL MEETING. SEVERAL DELEGATIONS, AS WELL AS COUNCIL PRESIDENT, FITZGERALD, SAID THAT WHILE THE MATTER MIGHT NOT BE WRAPPED UP AT THE PRESENT COUNCIL, USEFUL PROGRESS COULD BE MADE IN PREPARING THE BUDGET ISSUE FOR DISCUSSION BY THE HEADS OF GOVERNMENT IN DUBLIN ON MARCH 10-11. RESPONDING TO THE FRENCH STATEMENT, FOREIGN SECRETARY CALLAGHAN INDICATED THAT THE COUNCIL CHAMBERS WERE NOT A "SIXTH FORM DEBATING SOCIETY" AND THAT HE WOULD NOT INDULGE IN A DISCUSSION OF THE ISSUE WHICH WOULD BE TO NO PURPOSE. SPEAKING WITH REPORTERS AFTER THE COUNCIL MEETING, CALLAGHAN SAID FRANCE HAD MADE A "TACTICAL ERROR" ANGERING THE OTHER MEMBER STATES WHO WERE WELL-DISPOSED TO MOVING FORWARD ON THE BUDGET ISSUE DURING THIS COUNCIL. HE SAID HE NEVERTHELESS CONTINUED TO BE OPTIMISTIC REGARDING THE OUTCOME OF THE BUDGET ISSUE ALTHOUGH HE HAD THOUGHT BEFORE THIS MEETING THAT THIS PORTION OF THE RENEGOTIATION PACKAGE COULD BE SETTLED PRIOR TO GOING TO DUBLIN.

3. STEEL: AS INDICATED IN REF B, CALLAGHAN INFORMED HIS COLLEAGUES THAT THE UNITED KINGDOM OBJECTED TO THE PRESENT SITUATION WITHIN THE COMMUNITY CONCERNING THE POWER OF NATIONAL GOVERNMENTS TO CONTROL PRIVATE INVESTMENT IN STEEL PRODUCTION CAPACITY. HE SAID IT WOULD BE USEFUL IF THERE WERE A REVIEW OF THE TREATY PROVISIONS IN THIS AREA AND POINTED OUT THAT THE COMMISSION NOW ENJOYS SOME LIMITED POWER IN REGARD TO STEEL PRICES, MERGERS, AND INVESTMENT. IN THE PAST THE UK HAD SUCH CONTROL BUT WITH THE REPEAL IN 1971 OF THE IRON AND STEEL ACT OF 1967, IT NO LONGER WAS ABLE TO CONTROL PRIVATE INVESTMENT IN STEEL PRODUCTION FACILITIES. CALLAGHAN INDICATED THAT ALTHOUGH THIS MATTER WAS RAISED IN HIS JUNE 4, 1974 SPEECH ON RENEGOTIATION, AND WOULD PROBABLY BE MENTIONED IN THE GOVERNMENT'S WHITE PAPER ON RENEGOTIATION, THE ISSUE SHOULD NOT BE CLASSIFIED AS A RENEGOTIATION DEMAND. THE UK WAS MERELY BRINGING TO THE ATTENTION OF ITS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 01864 041844Z

PARTNERS ITS INTENTION TMO TO SEEK TO REASSERT NATIONAL GOVERNMENT CONTROL IN THIS AREA. THERE WAS REPORTEDLY LITTLE REACTION TO THE BRITISH STATEMENT.

4. NEW ZEALAND: THE BRITISH ALSO PRESENTED A PAPER ON RELATIONS BETWEEN THE COMMUNITY AND NEW ZEALAND. SPEAKING TO THE PRESS AFTER THE MEETING, CALLAGHAN SAID HE HOPED BOTH THE NEW ZEALANDERS AND THE

COMMISSION WERE BETTER INFORMED AS A RESULT OF THEIR RECENT DISCUSSIONS. HE INDICATED THAT NEW ZEALAND WAS "NOT JUST ANOTHER UNDEVELOPED COUNTRY" BUT THAT IT WAS ONE WITH VERY SPECIAL LINKS TO THE UNITED KINGDOM. (IN A NOT TOO GENTLE JIBE AT FRANCE, HE SAID THAT AT LEAST ON MEMBER STATE WOULD APPRECIATE THE NEED TO MAINTAIN SPECIAL LINKS WITH FORMER COLONIES). ALTHOUGH HE DECLINED TO BE SPECIFIC, CALLAGHAS SAID HE HAD PRESENTED HIS COLEAGUES WITH A PROPOSED FORMULA GOVERNING NEW ZEALAND BUTTER WHICH WOULD TAKE INTO ACCOUNT BOTH PRICES AND QUANTITIES. THE OTHER MEMBER STATES SAID THEY WOULD STUDY THE FORMULA BEFORE GIVING THEIR REACTIONS. IT SEEMS CLEAR THAT THIS TOPIC WILL BE RAISED BY THE BRITISH IN DUBLIN.

5. THE BRITISH WERE ADAMANT IN INSISTING THAT ALL THREE OF THE ABOVE SUBJECTS WERE SEPARATE AND DISTINCT AND THAT EACH NEEDED TO BE NEGOTIATED TO A MUTUALLY-SATISFACTORY CONCLUSION. THE FRENCH, ON THE OTHER HAND, SOUGHT TO LINK CONCESSIONS GIVEN UNDER ONE SUBJECT HEADING TO DISCUSSIONS OF THE OTHER TWO TOPICS.

6. COMMENT: MOST OBSERVERS HERE FEEL THAT THE COUNCIL DISCUSSIONS DIDNOT REPRESENT A SERIOUS CLASH BETWEEN BRITAIN AND THE EIGHT, BUT RATHER A LOST OPPORTUNITY TO RESOLVE ISSUES IN THE RENEGOTIATION PACKAGE. SEVERAL PERMANENT REPRESENTATION SOURCES HAVE TOLD US THE SPECIFIC RESOLUTION OF THE BUDGET ISSUE IS COMPLICATED BY THE FACT THAT THE HEADS OF GOVERNMENT WILL HAVE TO COPE WITH SOME VERY TECHNICAL DECISIONS AND WILL BE WORKING FROM PAPERS WHICH CONTAIN SIGNIFICANT AMOUNTS OF BRACKETED LANGUAGE. END COMMENT.
GREENWALD

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 EC BRU 01864 041844Z

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CHEESE, IMPORTS, STEEL, PRODUCTION, NEGOTIATIONS, MINISTERIAL MEETINGS, BUTTER
Control Number: n/a
Copy: SINGLE
Draft Date: 04 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ECBRU01864
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750076-0407
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750386/aaaacyyv.tel
Line Count: 154
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 EC BRUSSELS 1770, 75 LONDON 3266
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 15 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 APR 2003 by ShawDG>; APPROVED <16 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC COUNCIL OF MINISTERS MARCH 3-4: BRITISH RENEGOTIATION
TAGS: PFOR, EFIN, ETRD, EAGR, UK, NZ, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006